
From: Danny Sellers (ATL) [mailto:Danny.Sellers@ioausa.com]
Sent: Friday, October 13, 2017 5:01 PM
To: John Guastella <jfg@guastella.com>
Subject: RE: Daufuskie Island Utility Company - Bond Extension and Additional Bond
Importance: High

John,

Thanks for the request.

Our last effort on this was the maximum allowed from the Surety.

Sorry we could not be of help,

Danny Sellers | *Vice President*

Direct: (770)250-0220

Cell: (770)710-3404



100 Galleria Parkway, Suite 600
Atlanta, GA 30339

From: John Guastella [mailto:jfg@guastella.com]
Sent: Friday, October 13, 2017 3:51 PM
To: Danny Sellers (ATL) <Danny.Sellers@ioausa.com>
Cc: tlee@terryleecontracting.com; Mike Guastella <mjg@guastella.com>; Tom P. Gressette Jr. Esq. <gressette@wgflaw.com>
Subject: Daufuskie Island Utility Company - Bond Extension and Additional Bond

Hello Danny,

Although the S.C. Supreme Court has provided DIUC with a very favorable decision in its appeal of

the Public Service Commission's rate order, in order to complete the rate case it required the Commission to conduct a rehearing. The scheduling of the rehearing and conclusion of the case for a final rate increase will extend into 2018. Under this timing, DIUC will need another extension of the existing bonds which are now at a total of \$1,203,595 and which expire on December 31, 2017. You will recall that for the last extension the bond company required a letter of credit in the amount of \$650,000. In order to again assure refunds to the customers in compliance with applicable law, effective January 1, 2018 DIUC would have to have in place a renewal of the \$1,203,595 plus another \$430,042 for the next six months, a total of \$1,633,637 including interest.

Would you please let me know whether you could obtain a bond or bonds for the extension and additional amount totaling the \$1,633,637, and if you could, would another letter of credit be required. I should advise you that although SunTrust Bank provided a letter of credit for the last bonds, it only did so with a personal commitment of one of DIUC's owners, and that personal commitment is no longer available. If you are unable to obtain the extension and additional bond amounts, I would request that the PSC provide alternative rate setting treatment. But I must also report to the PSC if bonds are again available.

We are pressed for time and I would ask that you respond ASAP. I very much appreciate your effort.

Thanks,
John

This electronic message is for the designated recipient only and may contain confidential, proprietary, or otherwise private correspondence.

If you have received this message in error, please notify the sender immediately and delete the original. Any other use or distribution of this information is strictly prohibited.